

U.S. Department of Justice

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NEWS RELEASE

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**Internet Distributor of Pirated Software Pleads Guilty
to Criminal Copyright Infringement**

Paul J. McNulty, the United States Attorney for the Eastern District of Virginia, and Michael A. Battle, United States Attorney for the Western District of New York, announced today that Shane Wallner, 31 of Elmira, New York, waived formal Indictment and pled guilty today before the Honorable Michael A. Telesca, United States District Judge in the Western District of New York, to a single count Information charging him with criminal copyright infringement in violation of 18 U.S.C. §2319(c)(1) and 17 U.S.C. §506(a)(2).

Shane Wallner is one of nine individuals being prosecuted for distribution of pirated computer software after an eight month investigation by the FBI. The investigation, identified as "Operation Cybernet," targeted individuals nationwide for operating computer sites on the Internet that illegally distributed pirated copies of software, movies, games and music. These individuals advertised their computer sites in the Usenet newsgroup "alt.2600.warez" and various Internet relay chat channels dedicated to the trafficking of pirated software. Operation Cybernet culminated on July 24, 2001, with the simultaneous execution of nine search warrants in various parts of the country.

The operation specifically targeted violators of the No Electronic Theft ("NET") Act, a 1997 law which makes it illegal to reproduce or distribute on a large scale copyrighted works, such as software programs, even if the defendant acts without a commercial purpose or for private financial gain. The NET Act was enacted by Congress to combat the growing threat of piracy over the Internet in light of the realization that a significant amount of online criminal copyright infringement involves the free downloading of pirated software, games, movies and music from warez sites. Defendant William Harvey admitted operating a warez FTP server from a personal computer located in Collinsville, Illinois where he resided at the time of the investigation.

The Cybernet investigation was conducted by the FBI's Washington Field Office and prosecuted by Assistant U.S. Attorneys Scott J. Stein from the Eastern District of Virginia, Rick Resnick, from the Western District of New York and Clement McGovern from the Computer Crimes and Intellectual Property Section of the Department of Justice. The defendant was originally charged in the Eastern District of Virginia by way of Information on March 17, 2004 and, with the consent of the Western District of New York, the case was transferred pursuant to Rule 20 to the Western District of New York for disposition.

Sentencing is scheduled for July 20, 2004 at 9:00 a.m. in front Judge Telesca.

